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**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
SOUTHERN DIVISION**

DAVID L. DEFREES, et al.,

Plaintiffs,

v.

JOHN C. KIRKLAND, et al.,

Defendants,

and

U.S. AEROSPACE, INC.,

Nominal Defendant.

CAMOFI MASTER LDC, et al.,

Plaintiff,

v.

JERROLD PRESSMAN, et al.,

Defendants,

and

U.S. AEROSPACE, INC.

Nominal Defendant.

Lead Case No. CV11 04272 JLS (SPx)

**NOTICE OF SETTLEMENT
AGREEMENT IN PRINCIPLE
BETWEEN PLAINTIFFS AND
DENTONS LLP**

Date: None Set
Time: None Set
Place: Courtroom 10A, 10th Floor
Judge: Hon. Josephine Staton

Trial Date: February 28, 2017

Consolidated With
Case No. CV 11-04574 JLS (SPx)

1 Plaintiffs CAMOFI Master LDC, CAMHZN LDC and Frederick Rich
2 (“Plaintiffs”) and Defendant Dentons LLP (f/k/a McKenna Long & Aldridge LLP,
3 “Dentons”), by and through their undersigned counsel, respectfully submit this Notice
4 of Agreement in Principle Between Plaintiffs and Dentons LLP to apprise the Court
5 that Plaintiffs and Dentons recently reached an Agreement in Principle that, when
6 documented in a fully executed settlement agreement, will result in the settlement of
7 all claims against Dentons in these consolidated derivative actions subject to the
8 requirements of Fed. R. Civ. P. 23.1. Dentons and Plaintiffs have agreed in principle
9 that the final settlement agreement shall contain releases of these derivative claims
10 against Dentons and John Kirkland, which would result in a dismissal with prejudice.
11 In light of this development, Plaintiffs and Dentons respectfully request that the Court
12 hold in abeyance McKenna Long & Aldridge LLP’s Motion *In Limine* No. 1 To
13 Exclude Evidence Regarding Punitive Damages (Dkt. No. 477) pending further notice
14 from the parties.

15 The Agreement in Principle does not address the claims against the remaining
16 non-defaulted defendant, James Henderson. Accordingly, absent further
17 developments, Plaintiffs intend to proceed with a jury trial as to the claims against Mr.
18 Henderson on February 28, 2017 at 9:00 a.m., in compliance with the Court’s Order
19 during the Final Pretrial Conference and Hearing Re Motions *In Limine* (Dkt. No.
20 534). In advance of trial, Plaintiffs will appear for a settlement conference on
21 February 21, 2017 at 10:00 a.m. before the Honorable Jay C. Gandhi, United States
22 Magistrate Judge, pursuant to the Order Regarding Settlement Conference dated
23 February 6, 2017 (Dkt. No. 542).

24 In the meantime, Plaintiffs and Dentons are proceeding with the drafting of a
25 settlement agreement and when finalized, Plaintiffs will promptly file a motion for
26 approval of the settlement in accordance with Rule 23.1. Although the process of
27 negotiating a final settlement and obtaining approval of the settlement under Rule 23.1
28 will not be completed before the current February 28, 2017 trial date, the trial will not

1 include claims asserted against Dentons or John Kirkland in light of the Agreement in
2 Principle.

3 Counsel for Plaintiffs and Dentons are available to answer any questions the
4 Court may have regarding the foregoing.

5 DATED: February 13, 2017

Respectfully submitted,

6 **BRACEWELL LLP**
7 MICHAEL C. HEFTER
8 RYAN M. PHILP
DAVID A. SHARGEL

9 By: /s/ Michael C. Hefter
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19 DATED: February 13, 2017

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3 **LOEB & LOEB LLP**
4 **ROBERT A. MEYER**
5 **W. ALLAN EDMISTON**
6 **MATTHEW R. KUGIZAKI**

7 DATED: February 13, 2017 By: /s/ Robert A. Meyer
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17
18
19 **DECLARATION CONCERNING CONCURRENCE**

20 I, Rachele R. Rickert, am the CM/ECF User whose identification and password
21 are being used to file NOTICE OF SETTLEMENT AGREEMENT IN PRINCIPLE
22 BETWEEN PLAINTIFFS AND DENTONS LLP. In compliance with L.R. 5-
23 4.1.4(2)(i), I hereby attest that Michael C. Hefter and Robert A. Meyer have concurred
24 in this filing's content and have authorized its filing.

25 DATED: February 13, 2017 /s/ Rachele R. Rickert
26 **RACHELE R. RICKERT**
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